Before the
COPYRIGHT OFFICE
LIBRARY OF CONGRESS
Washington, D.C.

In the Matter of	)	
	)	**Docket No. 97-1 CARP SD 92-95**
Distribution of 1992, 1993, 1994 and 1995 Satellite Royalty Funds	)	

DIRECT CASE OF THE JOINT SPORTS CLAIMANTS

Volume 3 of 3

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VI. DECISIONS OF THE COPYRIGHT ROYALTY TRIBUNAL, LIBRARIAN OF CONGRESS, COPYRIGHT ARBITRATION ROYALTY PANELS, AND THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

Rebuttal Testimony of
Dr. Peter V. Miller
Northwestern University

I am submitting this testimony on behalf of the Joint Sports Claimants (Major League Baseball, National Basketball Association, National Hockey League and National Collegiate Athletic Association) in the 1990-92 cable royalty distribution proceeding. My testimony responds to testimony presented by Paul Lindstrom of the A.C. Nielsen Company ("Nielsen") and Allen Cooper of the Motion Picture Association of America ("MPAA").

Qualifications.

I am Associate Professor of Communication Studies and Journalism at Northwestern University. I teach, research and write in the areas of survey methodology, mass communication and public opinion. During my tenure at Northwestern, my research has focused primarily on issues involving survey research.

In recent years, a considerable portion of my work has been devoted to analyzing methods of measuring television audiences, including through Nielsen ratings data, by parties inside and outside the electronic media industry.

Prior to coming to Northwestern in 1983, I was on the faculty of the University of Michigan, where I served as Assistant Professor of Sociology and Communication. While there, I also served as an Assistant Research Scientist in the Survey Research Center of the Institute for Social Research, and participated in methodological reviews of the National Health Interview Survey and the National Crime Survey.

Between 1985 and 1991, I consulted periodically with the A.C. Nielsen Company. Some of the projects I worked on with Nielsen during that time period included developing questionnaires, training interviewers for telephone surveys, and examining the Nielsen diary methodology. I also conducted exit interviews with respondents in Nielsen's NTI people meter sample, and worked with Nielsen for a time period during the Committee on National Television Audience Measurement's analysis of Nielsen's people meter system. I also participated in a NOVA documentary on television ratings (a portion of which was devoted to the Nielsen people meter) that first aired on public television in February, 1992.

I have been active in professional associations in the area of survey research. I am a member of the American Association for Public Opinion Research, and served the association as Standards Chair. I am a member of the Research Quality Council of the Advertising Research Foundation. In addition, I am on the editorial board of Public Opinion Quarterly, and serve as editor of the "Poll Review" section, which is devoted to analysis and criticism of survey practice. My resume, containing a list of my publications, awards and professional activities, is appended as Attachment A.

Background.

In prior royalty distribution proceedings the MPAA sponsored studies of distant signal "viewing" in cable households. The studies were based upon the Nielsen Station Index ("NSI") database. NSI uses both diaries and meters to collect audience information in each of approximately 200 markets, during the four "sweep" periods (February, May, July and November). The MPAA studies relied upon diary (but not meter) data from NSI cable households. According to Cooper, there were approximately 200,000 NSI cable households that returned diaries underlying the MPAA's 1989 study (Copyright Royalty Tribunal, Final

Determination in the 1989 Cable Royalty Distribution Proceeding, Federal Register, vol. 57, No 81, p. 15295 (1992)).

In the 1990-92 royalty distribution proceeding the MPAA has switched to a "viewing" study based upon Nielsen Television Index ("NTI") data. The NTI uses people meters to collect audience information on a continuous basis. During the 1990-92 period, the daily people meter sample consisted of approximately 4000 households, 60 percent (or 2400) of which were cable households. On any given day, about 3500 people meter households (and about 2100 cable meter households) reported usable data.

According to Lindstrom, a total of approximately 4400 different people meter households had some distant signal viewing during each of the years 1991 and 1992 (Lindstrom written testimony at pp. 36-37). Some of these households, however, may have been in the 1991 or 1992 sample for as little as one day, while others may have been NTI households for the entire year or for both years. Lindstrom presents only "sweeps" data for 1990. Those data indicate that a total of approximately 3700 different people meter households had some distant signal viewing during the 1990 "sweeps" (Lindstrom Written Testimony at p. 35). Again, some of these households may have been in the 1990 NTI sample for as little as one day, while others may have been NTI household during all four 1990 "sweep" periods.

According to Lindstrom, Nielsen recommended that MPAA switch to an NTI-based study for these proceedings because: "We felt that all things considered, Nielsen People Meter was a superior data collection method." (Lindstrom Written Testimony at p. 2). See also Lindstrom Transcript at p. 8044 ("The best technique to use would be the meter.") Lindstrom also testified that Nielsen's clients --"advertisers and their agencies, networks, TV stations, program producers, cable systems and cable networks" -- consider the 4000 household sample "adequate." (Lindstrom Written Testimony at p. 4). He also testified that, "...measuring a television audience is as simple in principle as counting beads." (Lindstrom Written Testimony at p. 5).

The MPAA people meter studies measure the number of "household viewing minutes" generated by different categories of distant signal programming during the years 1990-92. The MPAA studies count each minute that a metered television set is tuned to one of the distant signal programs, regardless of whether anyone in the people meter household actually watched that program. Thus, the MPAA studies are properly considered "tuning" studies. Lindstrom Transcript at p. 8187.

MPAA's Cooper testified that the studies show the value of the different categories of distant signal programming. Cooper Written Testimony at p. 3. Lindstrom, however, testified that, "we are not measuring value, we are measuring viewing." (Transcript at p. 8126).

Summary of Conclusions.

1) Lindstrom's testimony suggests that there is general satisfaction on the part of the television industry with the people meter sample and that the task of measuring television audiences is straightforward and simple with the people meter. Both of these suggestions are erroneous. There are significant, industry-recognized problems with the Nielsen people meter system. In particular, substantial concern has been expressed over whether the achieved people meter household sample is representative of the nation's television households. While there are significant problems with the NSI diary-based surveys as well, it cannot be said that the people meter system is, on the whole, a better technique for providing information for this proceeding.

2) The "household/minutes" data presented by Lindstrom are not relied upon for typical transactions involving audience information in the television industry. The "household/minutes" measure is significantly different from the usual measures relied upon by the industry, including "ratings" and "shares" for all households, and for different demographic groups.

3) The household/minutes data presented by Lindstrom do not measure the relative values to cable operators of the different categories of distant signal programs. To obtain an indirect measure of such values one would need audience data different from that which Lindstrom has offered.

1. The People Meter Controversy

The Nielsen people meter system began as a response in the mid-1980s to a competitive challenge (by Audits of Great Britain (AGB) to Nielsen's monopoly status in national electronic audience measurement. After installing its people meter sample, Nielsen "unplugged" its long-standing NTI meter-diary measurement system. AGB then went out of business and Nielsen was left as the monopoly supplier of national audience information again, but this time as a people meter service.

This major change in the method of television audience measurement caused an unprecedented furor in the broadcasting industry, and the controversy continues to this day. The broadcast networks, which relied upon the old NTI system for negotiating with advertisers, adopted new criteria for estimating audiences for upcoming seasons (see Attachment B). The abruptness of the change led broadcast networks to charge that Nielsen's people meter service was more the result of commercial expediency than scientific judgment.

A significant outcome of major client dissatisfaction with the people meter service was their sponsorship of a $1 million independent evaluation of the new system, completed in 1989. The evaluation, conducted under the auspices of the Committee on Network Audience Measurement (CONTAM), was put forward as methodological research that Nielsen should have done prior to introducing the people meter system. The CONTAM report was a public vote of "no confidence" in Nielsen's ability and motivation to scientifically evaluate its new product. (See Attachment C).

The CONTAM review of sampling and recruitment, field, engineering, editing and tabulation, and audience data pointed to some areas where the people meter system was satisfactory (e.g., meter engineering), but also noted a number of areas of significant concern. In particular, CONTAM reported that the people meter sample had a high nonresponse rate for predesignated households, a fact that directly affected the representativeness and adequacy of the sample. The CONTAM report estimated that in mid-1989, approximately 35 percent of predesignated households were providing usable data. (See Attachment D). In his testimony for this proceeding, Lindstrom reports that the predesignated household response rate for the people meter surveys used in this proceeding was approximately 45 percent. Lindstrom Transcript at p. 8223. This response rate is about half of the response rate usually achieved in studies conducted by the Bureau of the Census, and is well below the typical response rates achieved by major academic survey organizations in household surveys. A response rate of this kind would normally be unacceptable for surveys sponsored by the federal government. It raises significant concern over the representativeness of the sample.

Subsequent telephone coincidental measurement sponsored by CONTAM in 1990 and 1991 further documented problems with the people meter sample. (See Attachment E). Moreover, between 1990 and 1995, the people meter system has continued to suffer criticism by major segments of the television industry. (See Attachment F). These studies and criticisms highlight the fact that, as in any survey, the total error in a people meter survey is only partly sampling error (the error calculated in "standard error" measures). The remaining portion of total survey error includes such components as nonresponse error (e.g., refusal to participate in the study).

Following the coincidental studies, CONTAM in 1994 began to sponsor the System for Measuring and Reporting Television ("SMART") project, an ongoing research and development operation that generates measurement alternatives to the Nielsen people meter system. (See Attachment G). To date, the project has conducted a number of studies, has developed new recruiting and training methods for people meter respondents, has developed a new meter and has patented a new program identification method. A test market sample of households are now recording their viewing with the SMART methods. Responding to criticism, Nielsen has recently introduced a program to improve its recruiting methods for people meter panel participation. (See attachment I). In addition, Nielsen has decided to increase the size of the sample from 4000 to 5000.

In summary, from its inception, the Nielsen people meter has been a controversial development. Major clients were opposed to its introduction, and viewed it as a fait accompli. These clients independently evaluated it and found it wanting in several areas. They now continue to critique the system by funding a research and development effort that generates alternative methods of audience measurement. The Nielsen people meter has a monopoly status as supplier of national audience information; this fact does not imply that clients of the service are satisfied with it.

There is also substantial dissatisfaction in the industry with the diary-based NSI survey. Serious problems of nonresponse and response error are well documented. Despite these problems, however, NSI data have certain advantages. One advantage is the very large market-based sample (around 200,000 cable households per year), that permits more reliable measurement of small regional audiences. Another advantage is the fact that diary participants are only in the panel for a week, as opposed to up to two years. In basing its viewing study on NTI over NSI, MPAA has simply traded one set of problems for another.

2. **Household/Minutes And The Audience Information On Which The Industry Relies**

The assumption underlying Lindstrom's testimony is that, since the television industry relies on its data in making decisions about the purchase and sale of advertising and programming, the Nielsen people meter survey is a good source of information for this proceeding. But the data offered by Lindstrom here are unlike the data that Nielsen normally supplies to the industry. And the valuation decisions made by cable operators with regard to distant signals are quite different from the valuation decisions for which the television industry relies on viewing data.

Viewing data are commonly relied on in the industry in connection with the sale of advertising time or with the sale of programming on which advertising time will be sold. Advertisers, naturally, are concerned about who will see their ads, and viewing data are thus important. However, when cable operators purchase distant signals, they do not acquire the right to sell advertising time on those signals. Cable operators are concerned with whether the distant signal programs will help attract and retain subscribers.

Moreover, there are important differences between the household/minutes data presented by Lindstrom and the viewing data used in the television industry. Lindstrom's data do not differentiate among those who are viewing, how often they view, when they view, or even which particular programs they view. Instead, Lindstrom offers an analysis that combines household/minutes in broad program conglomerates and provides no information on audience characteristics.

In contrast, the audience data used by buyers and sellers of television advertising time include:

- identification of the program source (e.g. station);
- identification of the program and broadcast time;
- audience size estimates (e.g. "ratings," "shares," average audience);
- audience demographic information (e.g. sex, age); and
- cumulative audience data (e.g. how many different people or households view a program over time, and with what frequency).

This kind of detailed information is important to the utility of viewing data in the industry. However this sort of information is not presented in Lindstrom's testimony and cannot even be derived from the data produced by Lindstrom. To provide such information, the size of the sample must be large enough to garner a sufficient number of observations of viewing within desired audience categories. While the NTI sample is large enough to provide this kind of information for many nationally distributed program offerings, it is not large enough to offer the same sort of information for most distant signal programs, as Lindstrom acknowledges. Lindstrom Transcript at pp. 8077-8086.

3. Household/Minutes and Program Values

As I understand it, the purpose of this proceeding is to determine the relative values of different distant signal program categories to cable operators. I agree with Lindstrom that household/minutes do not reflect those values. Lindstrom Transcript at pp. 8125-8128.

The sheer availability of programs in the syndicated program category insures that its share of household/minutes will outstrip all other categories, regardless of its market worth. Indeed, Cooper indicates that a factor in commissioning the "viewing studies" was that they would produce a larger share of royalty payments for MPAA. Cooper Transcript at p. 2819.

No audience information directly gauges the relative values of program types. At best, audience data might be useful as an indirect measure of value if it shed light on the factors that make distant signal programming valuable to cable operators -- the ability to attract and retain subscribers. The types of data that one would consider include:

- program level measures of audience size;
- program audience characteristics that relate to cable subscribership (e.g. head of household status);
- "qualitative" assessments of the level of audience appreciation for programs;
- measurement of program viewing over time to assess audience reach and repeat viewing.

Lindstrom has not provided such data.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Peter V. Miller, PhD.

2/13/96

CURRICULUM VITAE

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Education

Ph.D., Mass Communication, The University of Michigan, 1977.

AB with distinction, highest honors in Journalism, The University of Michigan, 1971.

Academic Experience

1988-1993	Director, Institute for Modern Communications, Northwestern University.
1988-	Associate Professor of Journalism, Northwestern University.
1984-	Faculty Affiliate, Center for Urban Affairs and Policy Research, Northwestern University.
1983-	Associate Professor, Department of Communication Studies, Northwestern University.
1982-83	Director, Detroit Area Study, The University of Michigan.
1982-83	Assistant Professor, Department of Sociology, The University of Michigan.
1979-83	Assistant Professor, Department of Communication, The University of Michigan.

1979-83 Assistant Research Scientist, Survey Research Center, Institute for Social Research, The University of Michigan.

1977-79 Research Assistant Professor, Institute of Communications Research, and Assistant Professor of Journalism, University of Illinois, Urbana-Champaign.

1976-77 Assistant Professor, Department of Communication, Purdue University.

1976 Research Associate, Survey Research Center, Institute for Social Research, The University of Michigan.

1975-76 Lecturer. Department of Journalism, The University of Michigan.

Administrative Activities

Northwestern University

University Administration

Member, University Program Review Council, 1994-
- Chair, Program Review Subcommittee for the School of Music, 1994-1995.
- Chair, Program Review Subcommittee for the Office of Student Affairs, 1995-1996.

Member, Program Review Committee for Political Science, 1992-1993.

Member, Review Committee for Dean Zarefsky of the School of Speech 1992.

Organizer, "Communicating Complexity" Workshops and Proposal Writing, 1992-1993.

Organizer, Student Workshop on Telecommunications Policy, Annenberg Washington Program, 1991.

Chair, Faculty Committee to Design Joint Speech-Journalism Freshman Course.

Member, Medill School of Journalism Dean Search Committee, 1989.

Organizer, University Women's Board Seminar, "Changing Media in a Changing Society," 1989-1990.

Member, University Administration Seminar on the Field of Communication, 1988.

Department of Communication Studies

Associate Department Chair, 1992-93.

Search Committee Member, Interpersonal Communication, 1991-92.

Search Committee Member, Interpersonal Communication, 1990-91.

Chair, Search Committee, Mass Communication, 1988-89.

Chair, Search Committees, Mass Communication and Telecommunication, 1987-88.

Search Committee Member, Interpersonal Communication, 1987-88.

Admissions Committee Member, 1984, 1986, 1988, 1994-96.

Chair, Search Committee, Mass Communication, 1983-84.

The School of Speech

Co-Chair, Speech/Journalism Search Committee, 1995-

Member, Ad Hoc School Committee on Media Studies, 1987.

Member, Academic Affairs Committee, 1984-87.

Institute for Modern Communications Planning, 1983-87.
Chair, Mass Communication and Culture Committee.
Member, Steering Committee.
Member, Communication and Public Policy Committee.

Professional Associations and Organizations

American Association for Public Opinion Research
Chair, Committee on Human Subjects Reviews of Surveys, 1989-90.
Standards Chair, 1988-89.
Associate Standards Chair, 1987-88.

Gannett Center for Media Studies
Leadership Institute Fellow, 1989.

Advertising Research Foundation
Member, Research Quality Council, 1985-

Association Memberships

American Association for Public Opinion Research
International Communication Association
World Association for Public Opinion Research

Professional Service

Public Communication Advisor, Electoral Commission of Malawi, 1994.

Participant on Great Lakes Protection Fund's Technical Review Panel, 1991.

Participant in production of PBS NOVA documentary on television ratings, 1991.

Authored AAPOR Statement on the Risks of Participating in Surveys for distribution to Institutional Review Boards, 1991.

Grants/Contracts

"Communicating Complexity in the Age of the Soundbite" Hearst Foundation, 1991, 1994 (with Dean Michael Janeway).

"Data and Decision-Making in Media Organizations," Institute for Modern Communications, Northwestern University, 1986.

Alternative Questionnaire Designs for the National Crime Survey (with Robert Groves), Department of Justice, 1980-82.

Telephone and Personal Interview Differences in the Health Interview Survey (with Charles Cannell and Robert Groves), National Public Health Service, 1979-81.

Teaching

Undergraduate

Theories of Mass Communication
Public Opinion
Mass Communication and Campaign Strategies
Research Methods in Communication

Voted One of Ten Best Teachers, 1988-89, Northwestern Associated Student Government

Graduate

Theory Construction
Techniques and Problems of Survey Research Measurement
Intellectual Foundations of Mass Communication Research
The Business of Public Opinion

Awards/Honors

Van Zelst Professorship, Northwestern University, 1993.
Fellow, Annenberg Washington Program, Northwestern University, 1991.
Faculty XL Summer Grant, Purdue University, 1977.
Rackham Dissertation Fellowship, 1974-75.
Leo G. Burnett Fellowship, 1971-72.
Phi Beta Kappa, 1970.
James B. Angell Scholar, 1968-69.

Publication Activities

Editorial

Editorial Boards
- Communication, 1985-
- Public Opinion Quarterly, 1992-
  - Poll Review Editor, 1993-

Series Editor
- Sage Annual Reviews of Communication Research, 1980-87

Ad Hoc Reviewer
- Public Opinion Quarterly
- Communication Research
- Human Communication Research
- Journal of Official Statistics
- Journal of the American Statistical Association

Books

Lavrakas, P., Traugott, M. and Miller, P., eds., Presidential Polls and the News Media. Westview Press, 1995.

Protess, D., Cook, F., Doppelt, J., Ettema, J., Leff, D.,Miller, P., The Journalism of Outrage, Guilford, 1991.

Hirsch, P., Miller, P., and Kline, F.G., eds., Strategies for Communication Research, Sage, 1977.

Chapters in Edited Volumes

Miller, P., "The Industry of Public Opinion," in Glasser, T., and Salmon, C., Public Opinion and the Communication of Consent, Guilford, 1995.

Miller, P., "Made to Order and Standardized Audiences: Forms of Reality in Audience Measurement." in Whitney, D.C., and Ettema, J., (eds.) Audiencemaking: Media Audiences as Industrial Process, Sage, 1994.

Miller, P., and Merkle, D., "Campaign Polls and America's Sense of Democratic Consensus," in Miller, A. and Gronbeck, B., Presidential Campaigning and America's Self Images, Westview, 1994.

Miller, P., "The 1992 Horserace in the Polls." in Crotty, W., (ed.), America's Choice: The 1992 Elections. Dushkin. 1993.

Miller, P., Merkle, D., and Wang, P., "Journalism with Footnotes: Reporting the 'Technical Details' of Polls," in Lavrakas, P., and Holley, J., Polling and Presidential Election Coverage. Sage, 1991.

Lavrakas, P., Holley, J., and Miller, P., "Public Reactions to Polling News during the 1988 Presidential Election Campaign," in Lavrakas, P., and Holley, J., Polling and Presidential Election Coverage. Sage, 1991.

Miller, P., and Cannell, C., "Experimental Interviewing Techniques." in Thornberry, Owen T., "An Experimental Comparison of Telephone and Personal Interviews." Vital and Health Statistics. Series 2, No. 106. 1987.

Groves, R., Miller, P., and Cannell, C., "Differences between Telephone and Personal Interviews Data." in Thornberry, Owen T., "An Experimental Comparison of Telephone and Personal Interviews." Vital and Health Statistics. Series 2, No. 106. 1987.

Cannell, C., Groves, R., Miller, P., and Thornberry, O., "Study Design." in Thornberry, Owen T., "An Experimental Comparison of Telephone and Personal Interviews." Vital and Health Statistics. Series 2, No. 106. 1987.

Cannell, C., Miller, P., and Oksenberg, L., "Research on Interviewing Techniques," in Leinhardt, S., ed., Sociological Methodology, 1981. Jossey-Bass, 1981.

Miller, P., "Issues in Education on Mass Communication in the 1980s" in Friedrich, G., Ed., Education in the '80s: Speech Communication. National Education Association, 1981.

Miller, P. and Cannell, C., "Communication of Measurement Objectives in the Survey Interview," in Hirsch, P., Miller, P., and Kline, F.G., Strategies for Communication Research, Sage, 1977.

Miller, P., "Themes of Measurement in Communication Research'" in Hirsch, P., Miller, P., and Kline, F.G., Strategies for Communication Research, Sage, 1977.

Kline, F.G., Miller, P., and Morrison, A., "Adolescents and Family Planning Information: An Exploration of Audience Needs and Media Effects," in Blumler, J., and Katz, E., The Uses of Mass Communications, Sage, 1974.

Morrison, Andrew J., F. Gerald Kline, and Peter V. Miller, "Aspects of Adolescent Information Acquisition about Drugs and Alcohol," in Ostman, R.E. and H. Mowlana (eds), Communication Research and Drug Education. Sage Publications, 1974.

Journal Articles

Miller, P., "They Said It Couldn't Be Done: The National Health and Social Life Survey." Public Opinion Quarterly, Fall, 1995.

Miller, P., "Which Side Are You On? The 1990 Nicaraguan Poll Debacle." Public Opinion Quarterly. 55:281-302. 1991.

Ettema, J.S., D. Protess, D. Leff, P.V. Miller, J. Doppelt and F. Cook, "Agenda Setting as Politics: A Case Study of the Press-Public-Policy Connection," Communication. 12:75-98. 1991.

Protess, D., Cook, F., Curtin, T., Gordon, M., Leff, D., McCombs, M., Miller, P., "The Impact of Investigative Reporting on Public Opinion and Policymaking: Targetting Toxic Waste." Public Opinion Quarterly. 51:166-185. 1987.

Miller, P., and Groves, R., "Matching Survey Responses to Official Records: An Exploration of Validity in Victimization Reporting." Public Opinion Quarterly. 49:366-380. 1985.[Reprinted in Singer, E., and Presser, S., Survey Research Methods: A Reader. University of Chicago Press, 1989.]

Miller, P., "Alternative Questioning Procedures for Attitude Measurement in Telephone Surveys." Public Opinion Quarterly. 48:766-778. 1984.

Miller, P., and Cannell, C., "A Study of Experimental Techniques for Telephone Interviewing." Public Opinion Quarterly. 46:250-269. 1982. [Reprinted in Singer, E., and Presser, S., Survey Research Methods: A Reader. University of Chicago Press, 1989.]

Selected Papers and Presentations

Invited Papers

Miller, P., "Confessions of a Spielritter." Annual Van Zelst Lecture, Northwestern University. Evanston, 1995.

Miller, P., "Utilities Reconsidered: A Comment on Neuman's Parallel Content Analysis Proposal." Paper presented to audience conference, Audie, 1992.

Miller, P., "The Business of Public Opinion." Paper presented to the annual meeting, International Communication Association, Chicago, 1991.

Miller, P., "Audience Construction by Commercial Measurement Firms." Paper presented to the annual meeting, International Communication Association, Chicago, 1991.

Miller, P., and Merkle, D. "More Informed Primary Election Poll Coverage." Paper prepared for the Informed Electorate Conference, Annenberg Washington Program, May 1990.

Miller, P., "Some Key Research Quality Issues for the '90s." Paper presented to the Research Quality Workshop, Advertising Research Foundation, 1989.

Miller, P., "Approaches to Validity in Telephone Surveys." Biennial Bellcore Measurement and Operations Research Symposium, 1988.

Miller, P., "Survey Fieldwork Quality: It's Your Business." Paper presented to the Research Quality Workshop, Advertising Research Foundation, 1988.

Miller, P., "Ratings Policy and Public Policy." Paper presented to the Annual Telecommunications Policy Research Conference, Airlie, Va., 1988.

Miller, P., and Windon, B., "Genesis of the 'Bear' Commercial." Paper presented to the annual meeting, American Association for Public Opinion Research, Toronto, 1988.

Miller, P., "I am Single Source." Gannett Center Journal, 2:1, Summer, 1988.

Miller, P., "People Meters: An Historical Perspective." Panel presentation at the Gannett Center for Media Studies, 1987.

Cook, T., Curtin, T., Ettema, J., Miller, P., and Van Camp, K., "Television in the Life of the Schools." Paper presented to a conference on Assessing Television's Impacts on Education. U.S. Office of Educational Research and Improvement. 1986.

Miller, P., "Interviewer Behavior as Response Context." Conference on Context Effects in Surveys. NORC. 1986.

Miller, P., "Watching the Village Watchman." Paper presented to the Media Research Club of Chicago, 1985.

Miller, P., "A Comparison of Telephone and Personal Interviews in the Health Interview Survey." Paper presented to the Fourth Biennial Conference on Health Survey Research Methods, 1981.

Miller, P., "Applying Health Interview Techniques to Mass Media Research." Paper presented to the Third Biennial Conference on Health Survey Research Methods, 1979..

Miller, P., "On Television and Information." Paper presented to the Annual Research Conference on Telecommunications Policy, Airlie, Virginia, April, 1976.

Miller, P., F. Gerald Kline, and Andrew J. Morrison, "Adolescents Learning about Military Occupations in the Mass Media." Paper presented to the Research Seminar on Social Psychology of Military Service, University of Chicago, 1975.

Competitive Papers

Miller, P. and Roloff, M. "An Experiment on Journalistic Treatment of Survey Methods," Paper presented to the Annual Meeting, American Association for Public Opinion Research, Ft. Lauderdale. 1995.

Rucinski, D., Miller, P., and Hotinski, D., "What the Sex Survey Said: A Case Study." Paper presented to Annual Meeting, American Association Public Opinion Research, Ft. Lauderdale. 1995.

Miller, P., "Press Coverage of the 1992 Polls: An American--British Comparison." Paper presented to the Annual Meeting, American Association for Public Opinion Research. St. Charles, IL. 1993.

Miller, P., "People Meters: Some Thoughts on the Evolution of New Measurement Technology." Paper presented to the annual meeting of the International Communication Association, New Orleans, 1988.

Miller, P., "Measuring Mass Media Use in Studies of Media Effects." Paper presented to the annual meeting of the International Communication Association, Montreal, 1987.

Miller, P. and Paul Wang, "Social Class, Childrearing Patterns and Control of Television." Paper presented to the annual meeting of the International Communication Association, 1985.

Miller, P., Robert Groves and Velma Handlin. "A Record Check Experiment in the Study of Victimization Reporting." Paper presented to the annual meeting of the American Statistical Association, Cincinnati, 1982.

Groves, Robert, Peter V. Miller and Charles F. Cannell. "A Methodological Study of Telephone and Face-to-Face Interviewing." Paper presented to the annual meeting of the American Association of Public Opinion Research, May, 1981.

Miller, Peter V. "Beyond Stereotypes: Adolescents Learning Sex Roles from Parents and the Mass Media." Paper presented to World Congress of Sociology, Uppsala, Sweden, 1978.

Panel Discussions

"Comment on Single Source Measurement Systems." Media Research Club of Chicago. September, 1991.

"Single Source: Everything You Ever Wanted in a Survey, and Less?" Roundtable discussion at the annual meeting, American Association for Public Opinion Research, 1991.

"A Comparison of Magazine Readership Measurement Techniques." Panel discussion at the annual meeting, American Association for Public Opinion Research, Toronto, 1988.

"Setting Survey Standards: A Necessary but Elusive Goal." Panel discussion at the annual meeting of the American Association for Public Opinion Research, 1986.

"Survey Standards in Theory and Practice." National Opinion Research Center, University of Chicago, March, 1986.

"The Folklore of Audience Measurement." Panel discussion at the annual meeting of the American Association for Public Opinion Research, 1985.

"Making Sense of TV Ratings." Roundtable presentation at the annual meeting of the American Association for Public Opinion Research, 1985.

Doctoral Committees

Scott Deatherage, PhD., 1994.
Daniel Merkle, PhD., 1993. (Chair)
Gregory Makoul, PhD., 1992.
Beth Barnes, PhD., 1990.
Lynn Thomson, PhD., 1990. (Chair)
Martin Stoller, PhD., 1989.
Paul Wang, PhD., 1987. (Chair)
Hyo Song Lee, PhD., 1987.
Linda Willer, PhD., 1985.

Survey Research Consultation

Joint Sports Claimants, 1995-96.
Commonwealth Edison Company, 1990-1993.
A.C. Nielsen Company, 1985-1988; 1990-91.
American Bar Foundation, 1987-88.
Ciba Geigy, 1987-88.
National Cancer Institute, 1982.
National Coffee Association, 1982-83.
Michigan Bell Telephone Company, 1981-82.
American Dairy Council, 1981.
American Red Cross, 1981.
U.S. Department of Agriculture, 1980.
Minnesota Community Prevention Program for Cardiovascular Diseases, 1980.
Department of Communication, Canada, 1975.

believe there is not a great gulf to be bridged," said Association of Independent Television Stations President Jim Hedlund. "There has been a concerted effort to reach a resolution," commented Thomas Goodgame, president of Westinghouse Broadcasting's TV station group, who testified on behalf of NAB. He noted, however, that NAB's problems with cable extend beyond must carry.

Cable, he said, competes unfairly with broadcasters, and if Congress does not restore some form of rate regulation, cable will continue to "siphon" valuable programing and major sports events away from free over-the-air television. He also pointed out that cable systems enjoy two revenue streams: subscriber fees and advertising. "Any advertising they get is just gravy," said Goodgame, chairman of NAB's TV board.

Broadcasters have complained for some time that cable makes money off broadcast signals they carry for free. Under NAB's "if carry/must pay" proposal, cable operators would have to carry a complement of local signals and pay for them. But the association put must pay on the back burner after Senate leaders told them there was no support.

Asked if he was advocating "must pay" instead of "must carry," Goodgame said he was not. He thinks must carry should be resolved; however, he wants lawmakers to be aware that there are other inequities between the two competitors.

But that is not how Mooney sees it. "What we are hearing the broadcasters say is they don't like having to pay more for programing," he said. They are trying to "brand cable as a kind of illegitimate competitor in the hope that the government will do something to give them a leg up in getting back that 20% of audience share they have lost entirely, and even more important, to help them keep from losing any more," said the NCTA president.

Broadcasters still have 76% of the viewing audience, Mooney argued. Moreover, he said, they still get 92 cents out of every dollar spent on television advertising, and total industry revenues are nearly $26 billion a year, while total cable revenues are about $16 billion.

Goodgame told the congressmen that NAB endorses H.R. 3826, a bill authored by Jim Cooper (D-Tenn.) that would reregulate rates, provide must carry and channel positioning protections and impose limits on horizontal and vertical concentration within the cable industry.

Still, the television executives made clear that NAB opposes competition from the telephone industry as a means of dealing with cable. "The telcos, whether RBOC's or independents, can only be permitted in as overbuilds. If the telcos are permitted to compete with cable, it should be as overbuilds and must be restricted to their historic role as common carriers. Nor can they be program originators or suppliers," Goodgame told the congressmen.

"I will tell you that the quantity, quality and diversity that people come to expect from free TV will suffer if balance is not restored to the marketplace," said Hedlund, whose testimony was in line with Goodgame's.

Several subcommittee members would like the industries to reach a compromise. "It's in your best interest to resolve this now rather than have us resolve it," said Matthew Rinaldo of New Jersey, the subcommittee's ranking Republican. Both Rinaldo and Markey praised the must carry agreement reached by NCTA and the National Association of Public Television Stations. Markey said it will be included in any cable package. It was introduced as a bill (H.R. 4415) by House Commerce Committee Chairman John Dingell (D-Mich.), Markey and Rinaldo among others.

George Miles, executive vice president of noncommercial WNET(TV) New York, urged passage of H.R. 4415 as an "insurance policy guaranteeing that the system we have built so painstakingly will continue to be available on cable as well as over the air." However, Sharon Ingraham, chairperson of the National Federation of Local Cable Programers, was opposed to language in the must carry bill that would permit cable operators to put public TV station signals on access channels that are not being used.

And Lowell Paxson, president of the Home Shopping Network, asked the subcommittee to pass a must carry law that would mandate carriage of all local full-power television stations within 35 miles of a cable system's headend before carriage of stations located 36-50 miles from the headend.

Although most of the hearing focused on must carry, the issue of vertical and horizontal concentration within the industry also came under scrutiny, and opinions were mixed. Daniel Brenner, director of the communications law program, University of California, saw no need for legislative intervention. Brenner said vertical integration serves "all kinds of goals" and that the burden of proof should rest with those calling for limits.

Stanley M. Besen, senior economist with Rand Corp., also cautioned against regulating vertical integration. Instead, he said, Congress should remove regulatory barriers barring the entry of competing media outlets. But Robert Picard, editor of the *Journal of Media Economics*, California State University, held a completely different view. He said the "unfettered vertical and horizontal integration occurring in the cable television industry poses the greatest threat to the public interest that exists in any communications industry today." -KM

Upfront: The $4 billion question

Network guarantee question may delay start of upfront, due to get rolling after networks announce fall schedules in coming weeks

The $4 billion upfront market, expected to begin in the next few weeks, may be delayed due to a disagreement over the terms of negotiation. Specifically, as of last week media buyers and network sales executives were still debating whether audience ratings data is accurate enough to serve as a barometer of viewership.

There are other major questions looming before the upfront market as well. How much market share will ABC take from NBC? What effect, if any, will the new NCAA college basketball contract that cuts beer and wine advertising by 33% have on CBS? If that's not enough, there is also concern about how much automobile manufacturers will spend and what role a "sluggish economy" will play.

Meanwhile, the networks have reportedly been considering getting rid of, or at least cutting back on, offering guarantees for audience delivery. One network that may already be prepared to change the rules a little bit is ABC. Sources inside ABC told BROADCASTING that the network has come up with an audience delivery guarantee system that relies more on the homes using television numbers (HUT) than on actual shares per program. ABC plans to put it "out on the street this week." The change would, according to the network, attempt to "isolate what might be any dropoffs between program performance and problems with research methodology dropoffs."

Doing away with guarantees is not the advertising community's idea of a good solution. One media buyer described the talk of doing away with guarantees as "very superficial." Another media buyer put it this way: "The unfortunate thing is that if—as we all suspect—there is something wrong with the system of measurement, why do the buyers and sellers have to take the rap? Why do the advertisers have to take a beating?" As for not relying on Nielsen at all, the buyer asked whether agencies are now "supposed to imagine what the numbers are."

Although it gets the most publicity, Nielsen numbers will not be the only issue in negotiations. Commercial load and spot length will also be a significant factor in the upfront. NBC in particular logged more ads in prime time, according to an unreleased study. A media buyer told BROADCASTING that there is concern about ad loads and that "lately we have not been able to prevail on the networks [about] the idea of limiting the expansion of commercial time. We're getting eaten away on every edge, including [the idea of] premiums for 15-second spots and audience erosion."

It still may be too early to tell whether this year's upfront will match last year's $4 billion marketplace. Robert Coen, senior vice president and director of forecasting at McCann-Erickson, told BROADCASTING that improvement in the advertising marketplace may be delayed by a sluggish economy. "There is a reluctance to commit to higher prices," Coen said.

Usually film distributors are the first to buy in the upfront. A Blair Television analysis of major domestic film distributors'

Time Warner [illegible] N.Y. [illegible]

To the surprise of Time Warner and some city officials, New York City's Board of Estimate last week voted unanimously to preliminarily deny the cable group's franchise renewal request for its Manhattan Cable and Paragon Cable Manhattan systems, whose 20-year franchises expire in August. The vote followed the Bureau of Franchises' recommendation to deny the request, setting the stage for the renewal process to become mired in the muddle of federal cable law and New York City politics.

Richard Aurelio, president of Time Warner's New York City Cable Group, said he was surprised at the vote: "We thought our proposal was the most generous ever offered in the United States," he said. But even with talks taking place just prior to the vote, the cable group and the Bureau of Franchises failed to hammer out an agreement to resolve the issues that separated them. Bruce Regal, counsel for the city, and a cable television specialist for the New York City Law Department, also expected an agreement and a renewal vote. "Most people did," he said.

According to Norman Sinel, lead independent counsel for the city and senior partner, Arnold & Porter, a "substantial portion of technical aspects" remained unresolved going into the vote. These included the length of the franchises, the "nature and development of meaningful" public and municipal access channels and the "nature of the monopoly power of vertically integrated" Time Warner, said Sinel. Efforts were made to ensure that programing would be available to other third parties, such as satellite broadcasting, but according to Sinel, no agreement on this could be reached.

Adding to Time Warner's troubles was what the city perceived as a failure to live up to the terms of the systems' expiring franchise agreements, and a poor customer survey showing. Sinel said that if the contentious issues had been resolved to the "satisfaction of the director of franchises, the vote would have gone better, despite failures" of the systems during their 20-year tenure.

Aurelio said the renewal was denied as part of a "bargaining tactic to squeeze more out of the company." Yet the city "had not presented in the final discussions" the additional concessions it sought from Time Warner, he said, making it hard for the company to answer unspecified demands. Aurelio also said that Time Warner submitted two proposals to the Board of Estimate, one for the eight-and-a-half-year term the city wanted, and one for a 12-year term [illegible].

The next legal step, under the 1984 Cable Act is an administrative hearing allowing the franchisee to present its case under due process of law, but which is not outlined structurally or procedurally in the Cable Act. That makes it difficult for the city to know exactly how to put the administrative procedure together. First, though, Time Warner must request the administrative hearing, and the company has not yet decided if it will do so, said Aurelio.

Outside the realm of the administrative process, both the city and Time Warner seem willing to continue to negotiate the points they disagree on. So it is possible the issue could again come before the Board of Estimate for a vote, said Corporation Counsel Victor Kovner. But if the administrative hearing goes forward, the city is unsure who will end up voting on the franchise, said Regal. The matter will be further complicated if it remains unresolved by June 30, which is when New York's new city charter eliminates both the Bureau of Franchises and the Board of Estimate, and authority passes to a new set of governmental bodies.

The precedent the vote sets for other franchise renewals around the country remains to be seen. Kovner said a precedent will be set in the final outcome of the renewal process, not in the preliminary denial, "although standing alone" the vote indicates that a "city has a right to deny a franchise under certain circumstances." The city so far, said Sinel, has "conducted all its actions in consistence with the Cable Act." Aurelio said he believes that "under the Cable Act" the Time Warner franchises are "entitled to renewal." The entire renewal process shows as well "that the Cable Act is cumbersome to deal with," said Sinel.

A temporary restraining order sought by a New York publisher last week to prevent the vote was denied (BROADCASTING, May 14). The lawsuit, which charged that the mayor and city council president could not delegate their votes, will still proceed. If it succeeds, it is difficult to tell what effect, if any, the decision will have on the cable franchises if they are renewed. —[illegible]

advertising expenditures shows that total broadcast TV spending (spot, network and syndication) by major film companies rose 19% in 1989 to $418 million. Network ad spending, the report says, was up 14% to $207 million.

Last year's top network television advertiser by product classification was automotive, with $1,490,623,000. The automobile industry is also credited with driving last year's record upfront of $4 billion. McCann-Erickson's Coen said, "It is not reasonable to expect auto to be as strong as last year," adding that last year showed "an extreme need for auto to reserve time for new models." Shearson Lehman Hutton auto analyst Joe Phillippi told BROADCASTING that autos will probably be "flat to down" in the upfront, with a lot of advertising spending based on summer auto sales, which would also determine the amount of auto manufacturers' spending in the scatter market.

As for how the networks individually will do in the upfront, according to Mabon, Nugent & Co. analyst Ray Katz, ABC currently has the momentum. CBS, he said, may decide to hold back on its prime time inventory in the hope that its new shows will do well and sell better in the scatter market. NBC, the firm said, will use its Thursday night lineup to "leverage its new shows' sales potential." As for the battle between NBC and ABC, one network executive said that there is a "whole lot of pressure on NBC based on audience loss." In the February sweeps (won by NBC) NBC was off 8% in rating and 6% in share. "No one is predicting that NBC will be surpassed by households," the network observer said, "but [NBC] might possibly be surpassed in demos."

Most fifth estaters interviewed by BROADCASTING thought that last year's $4 billion upfront market could be matched. Last year was an extremely high year, according to John Mandel, vice president, director, national broadcast, Grey Advertising, adding that if this year does not match it, "$3.9 billion is still a lot of money."

□

Under fire from the networks, Nielsen announced May 17 that it had received a request from the Committee on National Television Audience Measurement (CONTAM) to "evaluate a national audience measurement system that would combine existing household tuning and peoplemeter viewing technologies with other methodologies." Nielsen said it has "agreed to respond to CONTAM." Nielsen Executive Vice President William Jacobi said that "the objective would be to determine if a combination of different methodologies can be used to supplement the Nielsen peoplemeters in determining television viewing and demographics." Test data on the project, Nielsen said, will not be ready before the end of 1990.

The Nielsen peoplemeters show the number of adults 18-49 viewing network prime time programing declining by 5.5% in March and 3.6% in April. For the February sweeps, network prime time viewing was off some 8% compared to a year ago. However, network researchers attributed the February dropoff to the lack of "blockbuster" specials.

The current drop has been a little bit harder to pinpoint. Advertisers, for the most part, have said that they are going with the Nielsen figures. "The agency position is that Nielsen is the most accurate recording of viewing," said one media buyer, adding that the networks' "own Committee on National Audience Measurement and the American Association of Advertising Agencies confirm that there was nothing mechanically wrong with Nielsen. We will continue to use Nielsen to estimate what we think program ratings will be."

One network sales executive told BROADCASTING there is something "flawed" with the current [ratings] system and that "no one believes [viewing] changes are as dramatic as indicated." As for the possibility of abandoning guarantees, the executive said "arrangements will have to be made to accommodate the unrealistic swings...people will be hard put to address hard numbers." —[illegible]

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Fuzzy Picture: TV's NIELSEN Ratings, Long Unquestioned, Face Tough Challenges
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Networks and Hopeful Rivals Say Surveys Are Flawed; 'PEOPLE METER' Is Fingered
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Not an Easy Business to Enter

By Dennis Kneale
Staff Reporter of The Wall Street Journal

NEW YORK -- For 40 years, TV's NIELSEN ratings have been the only show in town.

The data on television viewing gathered by A.C. NIELSEN Co. have been the unquestioned currency of the business, dictating how billions of advertising dollars are spent and determining which shows survive and which ones falter. Customers didn't mind the monopoly: One set of numbers from a single supplier made things less complicated.

But now television has turned the tables: It is rating the NIELSENS -- and it's not pleased with the result.

The company is under fire, its numbers are suspect, and new rivals are lining up to exploit the tumult. A growing number of television executives claim that the NIELSEN system -- particularly the remote control "PEOPLE METER" device NIELSEN families use to log who watches what -- has fundamental flaws. New studies contend the ratings significantly understate viewing in a number of ways, especially by children and young adults and people in bars, hotels and on vacation.

NIELSEN'S trouble began a few months ago, when its numbers, based on 4,093 homes that are supposed to represent 92.1 million households, showed millions of people suddenly ceasing to watch TV. Network viewing had been slowly declining for several years, but overall television viewing had remained steady for decades. This sudden, severe falloff in total TV viewing was unprecedented.

The networks went ballistic, rueful over having to give sponsors $100 million in free commercials to cover the ratings decline of the first quarter alone. Something had to be wrong, they argued. They later imposed the first major change in how ratings are guaranteed to advertisers, using eight-year trends instead of just the current year's NIELSENS.

"As a researcher, I've got to have confidence in the numbers, and I don't," says Alan Wurtzel, senior vice president of research at Capital Cities/ABC Inc. "We continue to do business based on numbers that are suspect, and we can only do that for a short time."

NIELSEN officials defend their system as proven, accurate and rigorously tested. John Dimling, executive vice president at A.C. NIELSEN'S rating service, NIELSEN Media Research, notes that despite network complaints, the ad industry's major trade group has endorsed the system.

Nevertheless, would-be rivals see an opening. Britain-based Pergamon AGB PLC says it will re-enter the U.S. market soon; two years ago, it racked up losses of $67 million in an effort that NIELSEN soundly stomped. Arbitron Co., NIELSEN'S only major rival in local-market TV ratings, has set a fall start for a much-delayed system it wants to take nationwide by late next year.

But any dive into NIELSEN'S domain may well belly-flop. "It's anyone's prerogative to come into this market," says William G. Jacobi, executive vice president of NIELSEN Media Research. "But if they do, we are going to fight them tooth and nail. This is a business we love, and we're going to defend it with every resource we have."

The sometimes sleepy giant is known for aggressive and shrewd tactics when challenged. Acquired by Dun & Bradstreet Corp. in 1984, NIELSEN has annual sales of more than $600 million. Yet only about $50 million comes from national television ratings. (About two-thirds of the company's total revenue is from tracking the sale of packaged goods at retail stores.) So it is questionable whether the market can support more than one major player.

After the networks screamed about the measured drop in viewing, NIELSEN reviewed its procedures and pronounced the system healthy. Maybe, the company said, the drop was due to normally sedentary sofa spuds heading outside to enjoy unusually warm winter weather. But anomalies kept cropping up.

In some cases, curiously, the households watching television held steady with a year ago, yet in specific age groups the viewing fell sharply. In March, NIELSEN noted only a 2% drop in households watching all channels in prime time, but women aged 18 to 34 inexplicably had a deeper decline of 8%. In April, late-night viewing fell only 3% in homes, yet plunged 13% for men under age 35, the NIELSEN ratings showed.

How, the networks demanded, could overall viewing be about the same yet decline so sharply in specific groups?

The national numbers, moreover, contradicted NIELSEN'S own local-market ratings derived from 200,000 diaries in the nation's 200 television markets. In February, the local markets saw no real change in TV viewing from a year before -- but the national numbers logged a 5% drop.

In May, according to the local surveys, "NBC Nightly News" was in second place among the three network newscasts, with an audience of 9.2 million people. Yet in the national numbers, NBC was mired in third place, with 1.7 million fewer viewers.

Television executives and even some people in the ad industry have been quick to take note. "There's some suspicion the numbers are flawed," says Paul Isacsson, executive vice president at Young & Rubicam Inc. He worries that they make it look as if ad agencies are paying higher prices for fewer and fewer viewers.

If the numbers are flawed, the culprit may be the PEOPLE METER, the newfangled device that NIELSEN introduced -- reluctantly -- for national ratings in late 1987. Before then, NIELSEN had used diaries. Diaries were a lot cheaper, but they were prone to error, especially as the number of channels expanded with the rise of cable in the mid-1980s. Viewers forgot what they had watched and simply guessed.

NIELSEN had tested the PEOPLE METER since 1977 without ever using it. NIELSEN might have waited years more before switching, but for a rare outbreak of competition in 1985. British upstart AGB had entered the U.S brandishing the PEOPLE METER as a major selling point.

The PEOPLE METER works like a remote control. Each viewer presses some buttons when he or she starts or stops watching TV. When the set is on, a separate meter automatically records the channel the set is tuned to. But even if the set is turned on, what matters most is that someone has pressed buttons showing that there's really a viewer, or several viewers. Even the youngest tots are expected to use the gizmo when they tumble out of bed at dawn for Saturday cartoons.

For adults, too, this is an onerous burden of button-pushing, especially when a NIELSEN home is expected to do it diligently for up to two years. That may be why almost half of homes refuse when NIELSEN asks them to join its PEOPLE METER sample, and why only 47% stay on as members of the NIELSEN system.

The rate of cooperation may distort the random nature that the system needs to represent an entire nation's viewing. Viewers who agree to use the PEOPLE METER may be systematically different in their television habits from those who refuse. "It's an enormous potential source of bias," says Persi Diaconis, a statistician at the University of Illinois.

NIELSEN'S Mr. Jacobi, however, says getting 47% of homes to cooperate "is an admirable achievement."

NIELSEN still uses diaries alone in 175 of the 200 TV markets for local ratings, because PEOPLE METERS would be too costly to install everywhere. Critics say this might help explain the difference between the national ratings and figures derived from local reports.

For households that agree to use a PEOPLE METER in the national sample, "user fatigue" may understate viewing. NIELSEN data show the longer some viewers, particularly younger ones, have the time-consuming device, the less they use it.

Among men aged 18 to 34, for example, newcomers using the PEOPLE METER only three months appear to watch 17% more television than the NIELSEN sample overall, a new study by the firm Statistical Research Inc. finds. At the one-year point they watch about the same load as the overall sample, a sign that they may have grown lax in their button-pushing duties.

That argument is strengthened by a new phone survey the firm did of 26,000 homes, says William Rubens, a longtime NBC ratings executive who now consults to the networks. The survey indicated that 26% more men aged 18 to 34 and 33% more kids were watching TV than NIELSEN showed for the same period. "It's an inescapable conclusion," he says, that some parts of the NIELSEN system are a biased representation of the public's viewing.

NIELSEN'S Mr. Dimling says that the phone survey, like any survey, may have its own problems and adds that the survey results closely followed NIELSEN figures for the broad category of viewers aged two and above.

The phone survey also showed 52% more visitors watching television in other people's homes than NIELSEN reported. And NIELSEN appears to understate other "out-of-home" viewing. Because its PEOPLE METERS are based only in homes, TV-watching in bars, hotels and other public places isn't counted. Nor does NIELSEN count viewing once a family turns off the set and heads for a vacation. About 20% of the U.S. public is on vacation during any given week of the summer months, and studies find 80% of people on vacation watch TV.

In addition to griping about NIELSEN'S numbers, some customers are growing weary of dealing with a monopoly and are looking for alternatives, such as AGB's failed effort two years ago. "The real killer was aborting the competitive process before it bore fruit," says CBS Inc. senior vice president David Poltrack, who supported AGB's effort.

AGB failed in its first attempt partly because it didn't anticipate the huge investment required and the complexity of tracking thousands of hours of programs. But counter-moves by NIELSEN hurt too. In October 1985, just as AGB was unveiling the results of its first test, NIELSEN announced its own PEOPLE METER plans -- though NIELSEN didn't switch to the contraption for two years. The company dealt another blow by hiring away AGB's U.S. president, Joseph Philport, months before the AGB service was to go nationwide.

Last month, AGB announced plans to re-enter the U.S.market, saying it had been "invited" by the three networks. The fight could be nasty -- and petty. NIELSEN'S Mr. Jacobi accused AGB of "false pretenses" because, he notes, no formal invitation had been issued to the company.

"The attack is really quite ridiculous," says Robert Maxwell, the Britain-based tabloid publisher and chairman of Maxwell Communication Corp., who bought AGB 18 months ago. He calls Mr. Jacobi a "monopolist" and adds: "We are in discussions with the networks and continue to be."

Mr. Maxwell says AGB can set up in the U.S. on an investment of up to $40 million and an annual budget of $30 million. But others say $100 million is a more likely start-up figure. And so far, only the three networks are interested in AGB.

"If AGB is considered the handmaiden of the networks, even if they're doing things right, the effort will be tainted," says consultant Norman Hecht, a former AGB executive.

It also raises revenue questions. The Big Three now pay NIELSEN only $15 million combined, less than one-third of the $50 million a year in revenue NIELSEN gets for its national television ratings service. The rest comes from ad agencies, advertisers and cable channels, which so far aren't expressing much interest in AGB.

Nor are NIELSEN'S customers clamoring, as yet, for a new service called ScanAmerica, from Arbitron. The service would track both TV viewing and product purchases by the same sample of families.

Arbitron plans to be in 1,000 homes in five major cities by year-end and have a national sample of 2,000 homes by late 1991. That will take an investment of $125 million, and Arbitron will lose money on the service well into the mid-1990s, says Kenneth Wollenberg, executive vice president.

Bristol-Myers Squibb has signed up, eager to match TV viewing to product purchases. The NIELSEN people "just aren't moving fast enough for our purposes," says Marianna Reges, a media manager for Bristol-Myers's in-house advertising.

Still, many television executives doubt that two ratings services can survive. "It would be like having two monetary systems," says John Hunt, a vice president at ad agency Ogilvy & Mather. If two suppliers turned in different numbers, it would raise conflicts as to which set was right. Yet if the numbers were the same, he says, why pay for two services?

Marshall Cohen, executive vice president at Viacom Inc.'s MTV Networks subsidiary, says the networks would abandon a new rival as soon as NIELSEN'S numbers got better. They blamed a loss of audience two years ago on NIELSEN'S switch to the PEOPLE METER; a year later they cited the long strike by script writers; now it's the PEOPLE METER again. "Next year," says Mr. Cohen, "they'll blame it on the bossa nova."

But the networks say their complaints are legitimate and that their desire for a new and better service is real. CBS's Mr. Poltrack says when he first got into the television business, he couldn't believe billions of dollars were based on so fragile a system as NIELSEN'S. "I still can't believe it," he says. "The whole thing is crazy."

NIELSEN Numbers: What to Believe?

A.C. NIELSEN'S national ratings conflict with its own local ratings compiled in 200 television markets. Percent change in ratings vs. a year ago, by group, for total day 7AM-1AM.

	LOCAL	NATIONAL
Households	- 1%	- 5%
Women 18 to 34	No change	-10
Women 35 to 49	- 4	-10
Men 18 to 34	No change	- 6
Men 35 to 49	- 5	- 3

Source: A.C. NIELSEN

---- INDEX REFERENCES ----

COMPANY (TICKER): AGB RESEARCH PLC; DUN & BRADSTREET CORP.; MAXWELL COMMUNICATIONS CORP. PLC; CAPITAL CITIES/ABC INC.; CBS INC.; GENERAL ELECTRIC CO. (U.AGB DNB U.MXC CCB CBS GE)

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